

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

KYKO GLOBAL, INC., a Canadian
corporation, and KYKO GLOBAL GMBH, a
Bahamian corporation,

Plaintiffs,

v.

PRITHVI INFORMATION SOLUTIONS,
LTD., a Pennsylvania corporation, PRITHVI
CATALYTIC, INC., a Delaware corporation,
PRITHVI SOLUTIONS, INC., a Delaware
corporation, PRITHVI INFORMATION
SOLUTIONS INTERNATIONAL, LLC, a
Pennsylvania limited liability company,
INALYTIX, INC., a Nevada corporation,
INTERNATIONAL BUSINESS
SOLUTIONS, INC., a North Carolina,
corporation, AVANI INVESTMENTS, INC., a
Delaware corporation, ANANYA CAPITAL
INC., a Delaware corporation, MADHAVI
VUPPALAPATI AND ANANDHAN
JAGARAMAN, husband and wife and the
marital community composed thereof, GURU
PANDYAR AND JANE DOE PANDYAR,
husband and wife and the marital community
composed thereof, and SRINIVAS SISTA
AND JOHN DOE SISTA, husband and wife
and the marital community composed thereof,
DCGS, INC., a Pennsylvania company, EPP,
INC., a Washington corporation, FINANCIAL
OXYGEN, INC., a Washington corporation,

Case No.

COMPLAINT

JURY TRIAL DEMANDED

HUAWEI LATIN AMERICAN SOLUTIONS,
INC., a Florida corporation, L3C, INC., a
Washington corporation.

Defendants.

Plaintiffs Kyko Global, Inc. and Kyko Global GmbH (hereinafter, collectively “Kyko”),
by and through their counsel, Slinde Nelson Stanford, for its Complaint allege as follows:

I. INTRODUCTION

1. This action arises out of the wrongful acts of Defendants relating to Prithvi Information Solutions, Ltd. and its affiliates, officers, directors and certain individuals acting in concert to defraud, deceive and/or misrepresent the existence of certain customer account receivables pledged to Plaintiffs as security for certain advances made to PISL pursuant to an agreement for the factoring of customer account receivables. Defendants engaged in a conspiracy to create fictitious, counterfeit customers and associated accounts receivable in order to induce Kyko to advance over \$17 million in funds, or otherwise to induce Kyko to purchase over tens of millions of dollars of sham receivables. As a result of such wrongful conduct and by misrepresenting the true nature of the operations, Defendants concealed the fact that the customer accounts receivables did not exist, and, more significantly, hid the fact that Kyko would never be paid back directly from the customers as promised. By May 28, 2013, Kyko was owed over \$17 million from PISL. Due to Defendants’ collective deceptive and wrongful conduct and prior scheme to transfer assets among the multiple Defendants (both in the U.S. and foreign countries) to evade creditors as part of its fraudulent scheme, Plaintiffs also seek a Temporary Restraining Order and Preliminary Injunction enjoining any transfers or sales of assets and freezing the monies held in certain identified bank accounts, and any other financial institutions used to facilitate prior transfers, and any interest any Defendant holds in any monetary accounts receivables, in order to maintain the status quo. In addition to seeking

II. PARTIES

4. Defendant Prithvi Information Solutions, Ltd., (“PISL”) is a Pennsylvania corporation and, on information and belief, conducts business in the State of Washington. Defendant Madhavi Vuppalapati (“Madhavi”) is one of PISL’s directors.

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1 6. Defendant Prithvi Solutions, Inc. (“PSI”) is a Delaware corporation and, on
2 information and belief, conducts business in the State of Washington. PSI’s president and
3 secretary is Defendant Madhavi, and its treasurer is Defendant Jagaraman.

4 7. Defendant Prithvi Information Solutions International, LLC (“PISI”) is a
5 Pennsylvania limited liability company registered to do business with the State of Washington
6 Secretary of State and with its principal place of business in Bellevue, Washington. PISI’s sole
7 member is Defendant Madhavi.

8 8. Defendant Inalytix, Inc. (“Inalytix”) is a Nevada corporation and its principal
9 place of business is located in Bellevue, Washington. Inalytix’s president and director is
10 Defendant Madhavi.

11 9. Defendant International Business Solutions, Inc. (“IBS”) is a North Carolina,
12 corporation and, on information and belief, conducts business in the State of Washington.

13 10. Defendant Avani Investments, Inc. (“Avani”) is a Delaware corporation, and, on
14 information and belief, conducts business in the State of Washington. Avani’s agent, president
15 and director is Defendant Pandyar or his wife.

16 11. Defendant Ananya Capital Inc. (“Ananya”) is a Delaware corporation and
17 registered to do business with the Washington Secretary of State and with its principal place of
18 business in Redmond, Washington. Ananya’s agent, president and director is Defendant Srinivas
19 Sista (“Sista”).

20 12. Defendant Madhavi and Anandhan Jagaraman, husband and wife and the marital
21 community composed thereof, are individuals who reside in Bellevue, Washington and conduct
22 business in the State of Washington. Defendant Madhavi is also a member/director of Defendant
23 PISI; the President/Secretary/Treasurer and Director of Inalytix, Inc.; an officer/director of
24 Catalytic; and a director of and Prithvi Solutions, Inc. and, on information and belief, an officer
25 or director of certain other affiliated entities identified herein as Defendants. Defendant
26 Anandhan Jagaraman is also the Secretary and Treasurer of Prithvi Solutions, Inc.

1 13. Defendant Guru Pandyar (“Pandyar”) and Jane Doe Pandyar, husband and wife
2 and the marital community composed thereof, are individuals who reside in Bellevue,
3 Washington and conduct business in the State of Washington. Defendant Pandyar or his wife is
4 also the Director/President of Avani Investments, Inc., an officer of PISL, an officer of Catalytic,
5 and is a full-time employee of various other affiliated companies associated with Defendants
6 PISL and Madhavi.

7 14. Defendant Sista and John Doe Sista, husband and wife and the marital community
8 composed thereof, are individuals who reside in Redmond, Washington and conduct business in
9 the State of Washington. Defendant Sista is also the Director/President of Ananya and an officer
10 of certain other related affiliates and is a full-time employee of various affiliated companies
11 associated with Defendants PISL and Madhavi.

12 15. Defendant DSGS, Inc. is a Pennsylvania corporation and, on information and
13 belief, conducts business in the State of Washington.

14 16. Defendant EPP, Inc. (“EPP”) is a Washington corporation with its principal place
15 of business in Bellevue, Washington. EPP’s registered agent is Defendant Madhavi.

16 17. Defendant Financial Oxygen, Inc. (“Financial Oxygen”) is a Washington
17 corporation with its principal place of business in Redmond, Washington. Financial Oxygen’s
18 President and Registered Agent is Sista.

19 18. Defendant Huawei Latin American Solutions, Inc. is a Florida corporation
20 registered to do business with the Washington Secretary of State and with its principal place of
21 business in Bellevue, Washington. Huawei Latin American Solutions, Inc.’s President is
22 Defendant Sista.

23 19. L3C, Inc. is a Washington corporation and with its principal place of business in
24 Bellevue, Washington. L3C, Inc.’s Registered Agent is Defendant Pandyar.

25 /////

26 /////

III. JURISDICTION AND VENUE

20. This Court has original jurisdiction over this action pursuant to 28 U.S.C. § 1332. Plaintiff Kyko Global, Inc. is a citizen of Canada. Plaintiff Kyko Global GmbH is a citizen of the Bahamas. Plaintiffs are each citizens of a foreign state. Defendants are each citizens of different states other than India and Bahamas. None of the plaintiffs are from the same state as any of the defendants and, therefore, there is complete diversity among the parties. The matter in controversy exceeds the sum or value of \$75,000.

21. The Court also has jurisdiction over this civil action pursuant to 28 U.S.C. §1331 and 28 U.S.C. §1964 for Plaintiffs' Civil RICO claims.

22. This Court has personal jurisdiction over Defendants. Defendants have purposefully engaged in substantial business and related communications with Plaintiffs and the claims arise from Defendants' transaction of business within this district.

23. Venue is proper under 28 U.S.C. §1391 and 18 U.S.C. §1965(a). A substantial portion of the activities giving rise to Plaintiffs' claims have taken place in this district. One or more of the Defendants also resides in, maintains its principal place of business in, and/or conducts business activities in this district.

IV. FACTUAL BACKGROUND

24. Kyko entered into an agreement for certain factoring services with PISL on or about November 21, 2011. PISL and its officers and directors represented to Kyko (in person or by wire, including by telephone and/or email transmission) that it was a growing, vibrant and successful Information Technology ("IT") services company that served many brand-name customers in the United States, such as: Microsoft, Huawei, Dick's Sporting Goods, Enterprise and many others. PISL represented that it had offices in Pittsburgh, Pennsylvania and Bellevue, Washington.

25. Pursuant to the agreement between PISL and Kyko, PISL would identify certain of its customer accounts receivable for IT services and would authorize direct payment on those

1 customer accounts receivable to be made to Kyko in exchange for a portion of the amount
2 outstanding from its customers to be paid immediately by Kyko.

3 26. Before advancing the monies to PISL on designated account receivables, Kyko
4 would send the invoice to the actual customer (unbeknownst to Plaintiffs to actually be fake
5 customers created by PISL and/or one or more of the other defendants to intentionally defraud
6 Plaintiffs for Defendants' monetary gain) and obtain the customer's signed acknowledgment
7 back (by wire, including by email transmission) that the services were provided and that the
8 invoice was legitimate and accurate. Kyko would also verify with the purportedly legitimate
9 customer that payment should be made to Kyko rather than PISL. Said verification was received
10 by wire, including by email transmission. Once these steps were complete, Kyko would then
11 advance PISL a portion of the invoiced amount via a bank wire transfer. When the invoice
12 became due, PISL's customer would make payment directly to Kyko. Kyko would then pay the
13 balance of the invoiced amount to PISL, via a bank wire transfer, less Kyko's interest and certain
14 fees. If the purported customer did not ultimately pay Kyko, PISL remained obligated to repay
15 Kyko for the total amount of the customer account receivable.

16 **A. Defendants Executed Multiple Guarantees to Secure their Obligations.**

17 27. To further secure PISL's obligations to Kyko under the agreement, certain
18 guarantees were provided by PISL and its affiliates, officers, and directors (by and through one
19 or more of the other Defendants). In reality and unbeknownst to Plaintiffs, all of the guarantees
20 were executed and provided to Plaintiffs as a component of, and in an intentional concerted
21 effort to perpetuate, Defendants' fraudulent scheme against Plaintiffs as outlined herein. Neither
22 PISL, or any of the other defendants who executed guarantees in favor of Plaintiffs, had any
23 intention of ever honoring any of the guarantees outlined herein.

24 28. On November 21, 2011, PISL executed a Guarantee promising that "the
25 Guarantor, absolutely, irrevocably and unconditionally, guarantees as the primary obligor and
26 not merely as a surety, to the Trade Financier [Kyko Global, Inc.] the punctual and complete

1 payment and satisfaction when due (whether at state maturity, by acceleration or otherwise), and
2 at all times thereafter, of each of the Obligations.” A true and correct copy of the Guarantee
3 executed by PISL is attached hereto as Exhibit A. Said guarantee was executed and sent by PISL
4 to Kyko by wire, including by email transmission.

5 29. On or about December 2, 2011, Defendant Madhavi executed a Guarantee
6 promising to irrevocably and unconditionally guarantee certain obligations to Kyko Global, Inc.
7 A true and correct copy of the Guarantee executed by Madhavi is attached hereto as Exhibit B.
8 Said guarantee was executed and then sent by Madhavi to Kyko by wire, including by email
9 transmission.

10 30. On or about November 21, 2011, Defendant Catalytic executed a Guarantee
11 promising to irrevocably and unconditionally guarantee certain obligations to Kyko Global,
12 GmbH. A true and correct copy of the Guarantee executed by Catalytic is attached hereto as
13 Exhibit C. Said guarantee was executed and then sent by Catalytic to Kyko by wire, including by
14 email transmission.

15 31. In February 2012, as part of an expansion of the parties’ existing relationship with
16 Kyko Global GmbH, further guarantees were entered by Defendants Catalytic, PISL and
17 Madhavi for certain obligations, true and correct copies of which are attached hereto as Exhibits
18 D, E & F respectively. Said additional guarantees were executed and then sent to Kyko by wire,
19 including by email transmission. In a further effort to cloak their fraudulent scheme with
20 legitimacy and in order to fraudulently obtain money from Plaintiffs, Defendants Catalytic, PISL
21 and Madhavi again promised to irrevocably and unconditionally guarantee certain obligations to
22 Kyko Global, GmbH. Once again and unbeknownst to Plaintiffs, these guarantees were executed
23 and provided to Plaintiffs as a component of, and in an intentional effort to perpetuate,
24 Defendants’ fraud against Plaintiffs as outlined herein. None of the foregoing Defendants had
25 any intention of ever honoring these guarantees.
26

1 32. PISL and its officers (who include one or more of the other Defendants)
2 represented to Kyko that it had substantial relationships with several multi-billion dollar US-
3 based customers. Said communications were made in person and/or by mail or wire, including by
4 email transmission. PISL initially offered accounts receivables for the following five specific
5 major customers (“Five Customers”) to Kyko as part of the factoring agreement: (a) Dick’s
6 Sporting Goods, a national retailer with over 600 stores, (b) Enterprise Products Partners, a
7 publicly listed U.S. energy asset company, (c) Financial Oxygen, a large U.S. financial services
8 company, (d) Huawei, a global networking and telecommunications company, and (e) L3
9 Communications, a U.S. publicly listed defense contractor. Said offerings were made by mail or
10 wire, including by email transmission. Based on the information provided by PISL, Kyko then
11 sought acknowledgements signed by each of the purported customers verifying that each
12 customer would make payments directly to Kyko. Said acknowledgments were executed
13 (purportedly by a legitimate customer but in reality by one or more of the Defendants) and then
14 returned to Kyko from PISL by wire, including by email transmission. In reality and
15 unbeknownst to Plaintiffs, the acknowledgments were not signed by legitimate customers, but
16 instead were created and executed by Defendants posing as legitimate customers with purported
17 legitimate accounts receivables.

18 33. Kyko also requested from Madhavi, Pandyar and other representatives of PISL
19 that Kyko be put in touch directly with representatives of each of the Five Customers to verify
20 the account receivables were legitimate. In response, Madhavi and Pandyar specifically
21 represented that this should not be done because it would jeopardize their relationships with
22 these customers. Said representations were made by wire, including by email transmission. In
23 reality and unbeknownst to Plaintiffs, the true reason why Madhavi and Pandyar did not want
24 Kyko contacting the “Five Customers” was because the customers and/or the alleged accounts
25 receivables were not legitimate, and in order to further conceal and protect Defendants’
26 fraudulent scheme from being discovered. Madhavi and Pandyar instead offered to obtain and

1 provide whatever documents that would be required by Kyko to verify the legitimacy of the
2 accounts receivable for these Five Customers. PISL then presented Kyko with signed
3 acknowledgements from the Five Customers, true and correct copies of which are attached
4 hereto as Exhibit G. Said acknowledgements were executed and returned to Kyko by wire,
5 including by email transmission.

6 34. Once these Five Customers had been verified through the signed acknowledgment
7 process, PISL then purportedly issued invoices to each customer and sent a copy to Kyko for
8 review. In reality and unbeknownst to Plaintiffs, the invoices were fake and were generated for
9 the intentional purpose of defrauding Plaintiffs out of money for the benefit of Defendants. Said
10 invoices were sent by one or more of the Defendants, including PISL, to Kyko by wire, including
11 email transmission. Kyko then sought acknowledgment, by email addresses provided to Kyko by
12 PISL for each of the Five Customers, that the purported customer approved each of the PISL
13 invoices. Unbeknownst to Plaintiffs, but as Kyko would only later discover in March of 2013,
14 the email addresses provided by PISL were counterfeit and were actually surreptitiously
15 controlled and maintained by PISL and not by any of the purported "Five Customers."

16 35. For each of the purported Five Customers, Kyko received a response from the
17 purported customer confirming the invoices were approved. Each response came from a
18 designated email address of the purported customer's company. As stated, the responses Kyko
19 received were not from any real customer, but were instead from PISL (and/or one of the other
20 defendants) posing as a real customer and from a fake email account PISL (and/or one of the
21 other defendants) created, and surreptitiously controlled, to look like a legitimate email account
22 from each of the purported, albeit non-legitimate "Five Customers." Said confirmations were
23 sent by one or more of the Defendants, including PISL, to Kyko by wire, including by email
24 transmission. As further stated, it was not until March of 2013 when Kyko first discovered that
25 these customer emails were not legitimately associated with each of the Five Customers and, in
26 fact, were counterfeit.

1 36. In reliance on PISL's (and/or one or more of the other Defendants') false
2 representations that the invoices were legitimate, Kyko started paying PISL for the submitted
3 receivables, and the purported, albeit fake, customers started paying Kyko directly as the
4 invoices became due. In reality, it was PISL and/or one of the other defendants who—as part of
5 its ultimate concerted and unified scheme to defraud Kyko—were paying Kyko. Given the
6 multi-million dollar scheme in play by PISL and the other Defendants, Defendants' scheme had
7 to look real. Hence, payments were made by PISL (or one or more of the other Defendants)
8 through fake customers, only to end once PISL (and the other Defendants) had left Plaintiffs
9 being owed more than \$17,000,000 as a result of Defendants fraudulent scheme with no
10 expectation or plan on Defendants' part that it would be ever be repaid to Plaintiffs.
11

12 **B. PISL's Customers Stop Making Payments on Accounts Receivable to Kyko**
13 **and PISL Represents That Payments Will Resume Immediately From Customers of**
14 **PISL's Affiliated Companies Providing IT Services.**

15 37. Defendants, disguised as the legitimate customers, made payments on the
16 revolving balance owed for the accounts receivables of the purported Five Customers to Kyko up
17 until February 15, 2013. After that date, the Five Customers stopped making payments to Kyko.
18 Upon inquiry of why payments had stopped, PISL indicated that a lawsuit by a Japanese
19 company, Sojitz Corporation ("Sojitz"), led to garnishment of bank accounts and that Sojitz had
20 instructed the Five Customers to stop making payments. In an effort to hide Defendants'
21 fraudulent scheme, Madhavi, Pandyar and other representatives of PISL each assured Kyko that
22 the matter related to Sojitz would be resolved and that PISL intended to resume providing
23 services to the Five Customers in a short time period and payments would again be made within
24 a few weeks' time by the customers. Said communications were transmitted by wire, including
25 by email transmission.
26

1 38. After payments stopped on February 15, 2013. Kyko then advised Madhavi,
2 Pandyar and PISL that Kyko intended to contact the legal departments of each of the Five
3 Customers in order to confirm whether or not they were going to pay monies owed to Kyko and
4 to offer that such payments be made into a lawyer's trust account to avoid any concerns such
5 customers might have regarding collection on the judgment entered against PISL by Sojitz.
6 Madhavi, Pandyar and other representatives of PISL pled at length with Kyko that it not contact
7 the Five Customers in order to avoid any damage to their ongoing customer relationship. Said
8 communications were transmitted by wire, including by email transmission.

9
10 **C. Defendants Attempt To Continue Their Fraudulent Scheme By Issuing**
11 **Guarantee Checks With Insufficient Funds, Fraudulent Replacement Customers**
12 **And To Transfer Customer Contracts To Its Affiliated Entities In The U.S. To**
13 **Avoid Other Creditors.**

14 39. At a meeting in March 2013, PISL informed Kyko that it was in the process of
15 transferring customer contracts from PISL to other "affiliated" companies in the U.S. (run by one
16 or more of the other individual defendants) so that Sojitz would not be able to collect on the Five
17 Customer's accounts. By doing so, Defendants were attempting to make its assets, including
18 accounts receivables, disappear in order to avoid a legitimate creditor from being paid by
19 dissipating depleting, diverting to, and commingling its assets with companies operated and
20 controlled by other Defendants who also make up and operate the fraudulent RICO enterprise as
21 alleged herein. Kyko refused to participate in discussions of diverting assets from a judgment
22 entered against PISL and, thus, PISL offered to replace the Five Customers with new receivables
23 of other associated and related companies of PISL in the U.S. Madhavi, Pandyar and other
24 representatives represented to Kyko that the replacement of the Five Customers would then
25 eliminate Kyko's need to contact the Five Customers directly. This new offer of replacements
26 customers was simply yet another attempt to conceal and continue Defendants fraudulent scheme

1 against Plaintiffs. Said communications were transmitted in person and by wire, including by
2 email transmission.

3 40. To further secure the amounts owed to Kyko, on or about March 29, 2013,
4 Madhvai, Pandyar, and Sista agreed on behalf of various affiliated PISL companies to enter into
5 a Cross-Guarantee promising to pay on demand the full amounts owed to Kyko. The Cross-
6 Guarantee was signed by Madhavi, Pandyar (and/or his wife), Sista and their affiliated defendant
7 companies as follows: Catalytic, PSI, PISI, Inalytix, Ananya and Avani. Each of these
8 Defendants/Cross-Guarantors promised, "on a joint and several basis, to guarantee the
9 obligations of each Debtor to Trade Financier [Kyoto Global GmbH] in respect to the payments
10 of all the Accounts Receivable . . . by each Debtor." In reality, the Cross-Guarantees were yet
11 another component of Defendants' fraudulent scheme and an attempt to conceal the scheme and
12 ultimate truth of the scam from Kyko. A true and correct copy of the Cross-Guarantee dated
13 March 29, 2013 is attached hereto as Exhibit H. Said Cross-Guarantee was executed and then
14 sent by the identified Defendants to Kyko by wire, including by email transmission.

15 41. On April 23, 2013, IBS likewise agreed to separately guarantee the obligations of
16 PISL on the total amounts of certain accounts receivable and amounts outstanding to Kyko by
17 promising to irrevocably and unconditionally guarantee certain obligations to Kyko Global,
18 GmbH. A true and correct copy of the Guarantee from IBS dated April 23, 2013 is attached
19 hereto as Exhibit I. Said guarantee was executed and sent to Kyko by wire, including by email
20 transmissions.

21 42. Kyko also requested a notarized affidavit from Madhavi confirming the validity
22 of the Five Customers' accounts receivables. Madhavi agreed and signed the affidavit on April
23 24, 2013 in Redmond, Washington, certifying under oath that the Five Customer's account
24 receivables were "properly owing to Kyko," that the invoices were not in dispute by the
25 customers, and that the customer contracts had not been terminated. Said affidavit was sent to
26 Kyko by mail (including Fed Ex) and wire, including by email transmission.

1 43. To further secure outstanding payments, on or about March 12, 2013, Madhavi
2 issued ten personal guarantee checks in the amount of \$2,000,000 each for a total of
3 \$20,000,000. Madhavi wrote personal checks from her account and authorized in writing that
4 Kyko could present the checks for payment at any bank for the outstanding amounts owed, at
5 Kyko's sole discretion, upon giving 10 days prior written notice to Madhavi by email. Said
6 personal guarantee checks, or copies of the same, were sent to by Madhavi to Kyko by mail
7 (including Fed Ex) and wire, including by email transmission.

8 44. On or about March 12, 2013, Madhavi also issued the following guarantee checks
9 to be issued on behalf of the following Defendants: (a) in the amount of \$2,000,000 each for a
10 total of \$20,000,000 from the bank account for Prithvi Information Solutions, LLC (b) ten
11 checks in the amount of \$2,000,000 each for a total of \$20,000,000 on behalf of PISL, (c) ten
12 checks in the amount of \$2,000,000 each for a total of \$20,000,000 on behalf of Inalytix, (d) ten
13 checks in the amount of \$2,000,000 each for a total of \$20,000,000 on behalf of Catalytic, and
14 (e) ten checks in the amount of \$2,000,000 each for a total of \$20,000,000 on behalf of PSI. For
15 each entity, Madhavi likewise authorized in writing on behalf of the entity that Kyko could
16 present the checks for payment at any bank for the outstanding amounts owed, at Kyko's sole
17 discretion, upon giving 10 days written notice to Madhavi by email. Said guarantee checks, or
18 copies of the same, were sent by Madhavi to Kyko by mail (including Fed Ex) and wire,
19 including by email transmission.

20 45. PISL, IBS, Catalytic, and Inalytix also offered certain replacement customer
21 account receivables (the "Replacement Customers") from roughly forty customers in the United
22 States. Madhavi and Pandyar certified by signed affidavits under oath, individually and on
23 behalf of each of these three entities, on or about March 29, 2013, that the accounts receivable
24 were owed for actual services rendered and that there was no dispute with the customer.
25 Madhavi and Pandyar again certified with affidavits signed under oath, individually and on
26 behalf of Inalytix, that an estimated \$3.9 million owed on three of the Replacement Customers

1 accounts receivable were invoices for actual services rendered and that there was no dispute with
2 the customers. Said offerings and affidavits were provided by the identified Defendants to
3 Plaintiffs by mail (including Fed Ex) and wire, including by email transmission. Just like the
4 original "Five Customers," Plaintiffs would later discover that some of the Replacement
5 Customers were fake customers formed and controlled by one or more of the Defendants and
6 were simply posing as legitimate customers in an effort to further deceive and defraud Plaintiffs
7 and their good faith efforts to collect the more than \$17,000,000 owed to them by PISL (and/or
8 one or more of the other Defendants).

9 46. To further deceive Plaintiffs and in an attempt to once again conceal Defendants'
10 fraudulent scheme, Defendants provided Plaintiffs with additional acknowledgements, similar to
11 those the Defendants provided to Plaintiffs for the original "Five Customers." Just as the
12 acknowledgements for the "Five Customers" were fraudulent, the acknowledgments for the
13 Replacement Customers were fraudulent as well because they came from entities formed and
14 controlled by Defendants posing as real customers that were anything but a legitimate customer.
15 Said additional acknowledgements were provided by Defendants to Plaintiffs by wire, including
16 by email.

17 47. On May 22, 2013, Kyko gave notice that it would present the guarantee checks
18 for the total amounts outstanding.

19 48. On May 23, 2013, in an email to Kyko, PISL claimed that one of the Replacement
20 Customers, Process Map, Inc. had a large amounts payable and that the contract had been
21 transferred to Prithvi Information Solutions International, LLC and those receivables could be
22 paid to Kyko. Upon Kyko's contact with Process Map, Inc. by email, Process Map, Inc.
23 informed Kyko that it did not owe "Prithvi" anything and that their "last engagement" with the
24 company "was in 2003."

25 49. As of May 28, 2013, the balance owed to Kyko by Defendants, by and through
26 the purported Five Customers was \$47,546,739, and the balance owed to PISL (and/or one of the

1 other Defendants) was \$30,469,344, for a net owing to Kyko of \$17,077,395, an amount which
 2 increases daily as interest continues to accrue.

3 50. On June 6, 2013, Kyko deposited six of the guarantee checks in its bank account
 4 and the bank has issued a hold on each of these checks because the bank suspects the checks will
 5 be returned for insufficient funds.

6 51. Each of the Defendant-Guarantors are jointly and severally liable under the
 7 guarantees for the total amount of \$17,077,395 plus certain fees and interest accruing thereon.
 8 Kyko issued a demand for payment to all of the Defendants on June 3, 2013. None of the
 9 Defendants have paid any portion of these amounts due and owing by PISL.
 10

11 **D. Kyko Discovers Customer Account Receivables Were Fictitious, Counterfeit**
 12 **Entities Set-Up And Controlled By Defendants In Order To Deceive Kyko Into**
 13 **Advancing Monies.**

14 52. While attempting in good faith to collect on the amounts owed in March 2013,
 15 Kyko simultaneously instigated its own internal investigation to determine whether the customer
 16 account receivables for the Five Customers were legitimate invoices for ongoing services
 17 provided by PISL and its affiliates. Kyko discovered that each of the Five Customers receivables
 18 did not exist and that each customer account receivable was intentionally created by Defendants
 19 for the express purposes of deceiving Kyko into advancing additional monies as follows:

20 a. Dick's Sporting Goods payments to Kyko had historically come from a
 21 bank account for "DCGS, Inc." Kyko discovered the address for DCGS, Inc. was
 22 the same as the Washington address listed on Defendant Madhavi's personal
 23 checks provided as guarantee checks in March 2013.

24 b. Enterprise Property Partners payments to Kyko had previously been sent
 25 from "EPP, Inc." A search of corporate records in March 2013 revealed that that
 26 the entity EPP, Inc. was a Washington corporation formed by Madhavi in July
 2012.

1 c. Financial Oxygen payments to Kyko had previously been sent from a
2 company called "Financial Oxygen, Inc." A search of corporate records in March
3 2013 revealed that Defendant Sista was the President of the company and the
4 company was formed in May 2012 with a principal place of business in Redmond,
5 Washington.

6 d. Huawei payments to Kyko had previously been sent from a company
7 called "Huawei Latin American Solutions, Inc." A search of corporate records in
8 March 2013 revealed that Defendant Sista was the President of that company and
9 the company was formed in January 2012 in the State of Florida. Kyko
10 discovered that the address of the bank account for "Huawei Latin American
11 Solutions, Inc." was the same as the address submitted for Sista to Kyko in March
12 2013 in Bellevue, Washington.

13 e. L3 Communications payments to Kyko had previously been sent from a
14 bank account for a company called "L3C, Inc." A search of corporate records in
15 March 2013 revealed that the company "L3C, Inc." was formed in July 2012 and
16 that Pandyar formed the company and was the registered agent.

17
18 53. On or about March 8, 2013, Kyko's counsel contacted the legal department for
19 Dick's Sporting Goods to verify the outstanding amount owed on the invoices to Kyko. Counsel
20 for Dick's Sporting Goods responded that the PISL had done no work for the company since
21 2004 and that the persons who had executed the acknowledgment of the PISL invoices and the
22 person who had been PISL's contact for verification of the invoices did not exist. The persons
23 identified on the acknowledgment and to approve the invoices were not employees of Dick's
24 Sporting Goods.

25 54. On or about March 8, 2013, Kyko's counsel contacted the legal department for L-
26 3 Communications to verify the outstanding amount on the invoices owed to Kyko. L-3

1 Communication likewise advised that the corporation did not employ the person identified as
2 PISL's contact for invoice verification purposes and that the company's records showed no
3 amounts were owed for services to PISL.

4 55. On or about March 19, 2013, Kyko's counsel contacted the legal department of
5 Enterprise Property Partners. Enterprise Property Partner's counsel advised that the company's
6 records showed no amounts were owed on the invoices identified by Kyko.

7 56. For each of the Five Customers and for various Replacement Customers, internet
8 websites were fraudulently created and were in existence displaying authentic company
9 information for the public companies. These addresses for these websites were provided to
10 Plaintiffs by Defendants. Much of the information was duplicated from the authentic company's
11 websites. However, upon further investigation in March 2013, Kyko discovered that the domain
12 names for the Five Customers' website were registered in 2011 or 2012 and that the Internet
13 Protocol Addresses, a unique four-part number identifying the precise location of the server,
14 were the same four server locations for almost all of the Five Customers and some of the forty
15 Replacement Customers. These sham websites not only provided legitimate business
16 information as a façade for the sham customer account receivables, but they also facilitated the
17 creation of sham email addresses and names of contacts at these sham customers for purposes of
18 corresponding with Kyko. For example, Kyko would write to an individual contact at Huawei
19 requesting conformation of the PISL invoices and the individual contact, who did not actually
20 exist or work at the customer company, would respond back to verify the invoices using the
21 same email specified on the sham websites. On information and belief, Defendants created,
22 operated, and corresponded with Kyko through these sham websites and email addresses to
23 facilitate a fraud, deceive, and otherwise misrepresent the existence of legitimate customer
24 account receivables.

25 //

26 //

V. FIRST CAUSE OF ACTION: FRAUD
(AGAINST ALL DEFENDANTS)

57. Plaintiffs reallege the allegations in paragraphs 1 through 56 herein.

58. Defendants, in a concerted and unified effort, made multiple deceptive and misleading false representations of existing facts regarding the existence of certain customers and the validity of those customer's accounts receivables including, without limitation, representations that: (i) certain accounts receivables were legitimate and duly owed to Defendants in exchange for services provided, (ii) that the amounts reflected on certain invoices were properly owed by existing customers, (iii) that there was no dispute between the customers and Defendants regarding the payment on the accounts receivables, (iv) that Defendants had enforceable contracts with certain customers that had not been terminated, and (v) that certain payments would be made directly to Kyko from identified customers on the accounts receivables that did not exist and that were created for the express purpose of deceiving Kyko into advancing additional monies to Defendants.

59. Defendants' representations were material and false.

60. Defendants knew at the time the representations were made that their representations were false.

61. Defendants intended that Kyko would act on the deceptive and misleading representations made.

62. Plaintiffs were ignorant of the falsity of Defendants' statements at the time the monies were advanced.

63. Plaintiffs relied on the truth of the representations given by Defendants and had a right to rely on such statements.

64. As a result of Defendants' fraudulent conduct, Plaintiffs have suffered damages in an amount exceeding \$17 million, the exact amount of which will be proven at trial.

**VI. SECOND CAUSE OF ACTION: NEGLIGENT OR INTENTIONAL
MISREPRESENTATION
(AGAINST ALL DEFENDANTS)**

66. Plaintiffs reallege the allegations in paragraphs 1 through 65 herein.

67. Defendants, in a concerted and unified effort, negligently or intentionally supplied information for the guidance of Plaintiffs in their business transactions that were false and/or materially misleading.

68. Defendants, in a concerted and unified effort, negligently or intentionally omitted information that made their representations regarding customers and accounts receivables false and/or materially misleading.

69. Defendants knew or should have known that the information was supplied to guide Plaintiffs in their business transactions. Defendants knew or should have known that the information omitted from their representations regarding customers and accounts receivables was necessary for purposes of Plaintiffs' business.

70. Defendants were negligent in obtaining or communicating false information.

71. Plaintiffs relied on the false information supplied by Defendants.

72. Plaintiffs' reliance on the false information supplied by Defendants was reasonable under the surrounding circumstances.

73. Defendants' false information was the proximate cause of damages to Plaintiffs in an amount that exceeds \$17 million, the exact amount of which will be proven at trial.

**VII. THIRD CAUSE OF ACTION: CONVERSION
(AGAINST ALL DEFENDANTS)**

74. Plaintiffs reallege the allegations in paragraphs 1 through 73 herein.

75. Defendants concerted and unified effort of theft, embezzlement, and misappropriation of monies belonging to Kykos constitutes conversion by Defendants. The acts

1 constituting conversion by Defendants have resulted in damages to Plaintiffs in an amount that
2 exceeds \$17 million, the exact amount of which will be proven at trial.

3 **VIII. FOURTH CAUSE OF ACTION: BREACH OF THE GUARANTEES**
4 **(AGAINST DEFENDANT-GUARANTORS)**

5 76. Plaintiffs reallege the allegations in paragraphs 1 through 75 herein.

6 77. Defendant-Guarantors, in a concerted and unified effort, executed guarantees with
7 Kyko promising to irrevocably and unconditionally, on a joint and several basis, pay in full any
8 and all obligations owed to Kyko under the factoring agreement entered into by PISL and Kyko
9 on November 21, 2011 up to a \$30 million.

10 78. Each of the Defendant-Guarantors have failed to honor or otherwise pay the
11 amounts owed to Kyko on demand.

12 79. Defendant-Guarantors have breached their obligations to pay under the
13 Guarantees.

14 80. As a direct result of the Defendant-Guarantors failure to pay, Plaintiffs have been
15 damaged in an amount that exceeds \$17 million, the exact amount of which will be proven at
16 trial.

17 **IX. FIFTH CAUSE OF ACTION: TEMPORARY AND PRELIMINARY**
18 **INJUNCTIVE RELIEF**
19 **(AGAINST ALL DEFENDANTS)**

20 81. Plaintiffs reallege the allegations in paragraphs 1 through 80 herein.

21 82. This action arises out of the wrongful and otherwise fraudulent conduct of
22 Defendants to intentionally mislead and/or deceive Plaintiffs and cause Plaintiffs to advance
23 certain additional monies on fictitious, counterfeit customers and associated account receivables.
24 Defendants' wrongful conduct and continued acts of deception demonstrate a calculated scheme
25 to defraud, evade and/or otherwise hide assets from Plaintiffs and Defendants' other existing
26 creditors.

1 83. Plaintiffs will suffer immediate irreparable harm if an injunction against
2 Defendants' transfer or sale of assets is not entered. As Defendants have done previously,
3 Defendants have demonstrated the willful intent to defraud, deceive and/or embezzle funds from
4 its creditors by transferring assets between the affiliated companies (controlled by Defendants) or
5 otherwise assigning customer contracts and receivables to shell entities. Defendants have
6 repeatedly created and formed new entities with the intent of defrauding and hiding assets from
7 its creditors. There is an imminent risk of dissipation of assets from which Plaintiffs can
8 recover, and, therefore, an asset freeze is justified.

9 84. Defendants should be enjoined from transferring, selling, moving or dissipating
10 assets or otherwise disbursing monies in a manner that would impair Plaintiffs' ability to collect
11 monies legitimately owed by Defendants to Plaintiffs. The status quo should be preserved intact
12 by ordering an asset freeze on Defendants' identified banking accounts, and any other discovered
13 financial institution and any other assets of Defendants

14 85. Equity tips strongly in favor of granting injunctive relief to Kyko. Without an
15 injunction, Plaintiffs will likely lose any customer revenues that provide security on the amounts
16 advanced to Defendants. Defendants, on the other hand, will not be harmed if an injunction is
17 issued, but rather will continue to receive payments from customers in the ordinary course of
18 business.

19 86. The public interest heavily favors granting injunctive relief to Kyko. An
20 injunction serves the public interest because it is in the public's interest that parties are held
21 accountable for their deceptive and wrongful acts and should not be permitted or given the
22 opportunity to further their fraudulent acts by transferring monies and assets to evade a creditor's
23 lawful enforce of their rights, either outside the jurisdiction or overseas. It is also in the public
24 interest that any remaining funds are held for the benefit of satisfying debts guaranteed by
25 Defendants.
26

1 and belief, every Defendant received a portion of the all the money obtained from Plaintiffs by
 2 fraud through the Defendants' RICO enterprise.

3 92. Defendants, individually and in conspiracy with one another, are all RICO
 4 persons who violated RICO by engaging in (1) "racketeering activity," (2) conducted through a
 5 "pattern," (3) affecting an "enterprise," (4) impacting interstate or foreign commerce.
 6 Defendants violated 18 USC §1962(c), by conducting and participating in the affairs of an
 7 enterprise that is engaged in or affects interstate commerce through a pattern of racketeering
 8 activity (mail and wire fraud) as alleged herein.

9 93. Defendants also violated 18 USC §1962(d) by conspiring as alleged herein to
 10 violate 18 USC §1962(c).

11 94. All of Defendants' predicate acts of have the same or similar purpose,
 12 participants, victim, or methods of commission, or otherwise are interrelated by distinguishing
 13 characteristics as alleged herein.

14 95. Defendants' repeated and persistent use of the interstate mail and wire
 15 transmission (including telephone, email and internet websites) to commit and perpetuate their
 16 fraud, as alleged herein, is related in time and purpose, and is continuing, threatens to continue
 17 indefinitely into the future and constitutes a pervasive "pattern" of racketeering activity. In the
 18 alternative to the foregoing "open-ended" continuity, Defendants' fraudulent scheme and related
 19 predicate acts as alleged herein have extended over and beyond a two-year period and under the
 20 circumstances continued for a "substantial period of time" sufficient to establish a claim under
 21 RICO.

22 96. Plaintiffs have been damaged in an amount that exceeds \$17,000,000 as alleged
 23 herein as a direct and proximate result of Defendants' violation of 18 USC §1962.

24 97. Plaintiffs are entitled to recover mandatory treble damages, costs and attorney's
 25 fees under 18 USC § 1964(c). This Court should also grant appropriate relief under 18 USC §
 26 1964 and FRCP 65.

**XI. SEVENTH CAUSE OF ACTION: CIVIL RICO – 18 U.S.C. § 1961 *ET SEQ.*,
FINANCIAL INSTITUTION FRAUD
(AGAINST ALL DEFENDANTS)**

98. Plaintiffs' realleges the allegations in paragraphs 1 through 97 herein.

99. In addition to Defendants' RICO violations set forth above, Defendants further violated 18 USC §1344 by obtaining money owned by Plaintiff, but under the "custody or control" of one or more financial institutions, each and every time Plaintiff made a payment or advance to Defendants as a direct and proximate result of Defendants' fraudulent scheme as alleged herein.

100. Plaintiffs have been damaged in an amount that exceeds \$17,000,000 as alleged herein as a direct and proximate result of Defendants' violation of 18 USC §1962.

101. Plaintiffs are entitled to recover mandatory treble damages, costs and attorney's fees under 18 USC § 1964(c). This Court should also grant appropriate relief under 18 USC § 1964 and FRCP 65.

**XII. EIGHTH CAUSE OF ACTION – UNJUST ENRICHMENT
(AGAINST ALL DEFENDANTS)**

102. Plaintiffs reallege the allegations in paragraphs 1 through 101 herein and assert this claim against all Defendants.

103. Defendants obtained funds and profits from Plaintiffs by fraud perpetrated by Defendants and the taking of undue advantage of Plaintiffs in the manner described above. Defendants' conduct gives rise to a cause of action on behalf of Plaintiffs under the equitable remedy of unjust enrichment, which cause of action is hereby stated. Plaintiffs have been damaged as a proximate result of Defendants' fraudulent scheme and conduct as alleged herein. Plaintiffs' damages exceed \$17,000,000, the exact amount of which will be proven at trial.

PRAYER FOR RELIEF

WHEREFORE, Plaintiffs respectfully request the following relief:

- A. Judgment against the Defendants, jointly and severally, for the total amounts owed to Plaintiffs in an exact amount to be proven at trial;
- B. A temporary and preliminary injunction enjoining Defendants from transferring or otherwise disposing of any assets until Plaintiffs are paid in full or sufficient funds are transferred into an escrow account or the Court's depository;
- C. An award of costs, attorneys' fees, and treble damages pursuant to 18 USC § 1964 *et seq.* and any other basis provided in law or in equity;
- D. Any and all further relief deemed appropriate by the Court.

Dated this 16th day of June, 2013.

SLINDE NELSON STANFORD

By: /s/ Christina Haring-Larson
Christina Haring-Larson, WSBA No. 30121
Of Attorneys for Plaintiffs

VERIFICATION


I, Kiran Kulkarni, declare as follows:

1. I am the Chief Executive Officer and founder of Kyko Global, Inc. and Kyko Global GmbH.

2. I have personal knowledge of Kyko Global, Inc. and Kyko Global GmbH and its activities, including those set out in the foregoing Complaint, and if called upon to testify I would competently testify as to the matters stated herein.

3. I verify under penalty of perjury under the laws of the United States of America that the factual statements in this Complaint concerning Kyko Global, Inc. and Kyko Global GmbH and its planned activity are true and correct.

Executed on June 16, 2013.

By: 
Kiran Kulkarni